

4 FAH-2 H-900 U.S. DISBURSING OFFICER (USDO) OVERSIGHT

4 FAH-2 H-910 USDO OVERSIGHT

(TL:DOH-1; 06-13-2001)

4 FAH-2 H-911 INTRODUCTION

(TL:DOH-1; 06-13-2001)

This subchapter prescribes the USDO's requirement to review the month-end accountability reports and provides suggestions on how this should be done. It also describes the role of the FMP/F/IFS disbursing office in assisting the USDO with the month-end report review and explains its on-site compliance review process.

4 FAH-2 H-912 REVIEWING MONTHLY TREASURY ACCOUNTABILITY REPORTS

(TL:DOH-1; 06-13-2001)

a. Introduction.

(1) Treasury determines the USDO's accountability for funds held outside the Treasury (cash on hand) from the Statement of Accountability Report (SF-1218). The USDO is required to review these balances each month to ensure they are reporting accurate accountability to the Treasury. This requirement is critical, and should be considered a primary responsibility of the USDO. Although the daily press of disbursing business may cause the USDO to occasionally overlook reconciliation responsibilities, reviewing the monthly accountability should receive the same emphasis and focus as other operational tasks. The USDO should ensure staff is available to assist with this review, and assign this job element to specific individuals.

(2) USDO accountability is most commonly reviewed by verifying the balances shown on the Treasury reports Form SF-1218 (Statement of Accountability) and Form FS-467 (Analysis of Balances Due the United States). In addition, the Foreign Currency Accounting System (FCASII) transactions (X7000) should also be reviewed monthly to ensure they are being processed correctly. To assist the USDO in reviewing the monthly reports, FMP/F/IFS has developed a database program (DORS) that loads the accountability reports into a database and then creates new reports that calculate percentages and balances which have been determined to be indicators of potential problems. The USDOs should make sure that their month-end reports are sent via e-mail to FMP/F/IFS, disbursing oversight by the 10th of each month.

(3) FMP/F/IFS has developed questions on certain items that could indicate potential problems with reporting accurate accountability to Treasury. These questions are listed in 4 FAH-2 Exhibit H-912. A form is also produced from the database that lists all currencies the USDO manages, and boxes for each question for that currency. FMP/F/IFS disbursing oversight staff review the reproduced reports and check the boxes when the answer to the question is 'no'. The checklist answer form is sent to the USDO each month, along with copies of the reproduced reports. FMP/F/IFS will complete their analysis by the 15th of the month and express mail the reports and checklist to the USDO's by the 16th of each month.

b. USDO and FSC director requirements for reviewing accountability reports.

(1) Monthly.

(a) The USDO may use their own method of reviewing the reports, or refer to the checklist that is provided to them every month by FMP/F/IFS. It is not required that the USDO research each 'no' checkbox every month, but they should have a good knowledge of the general trends of 'checks' over the month for certain questions. Attempts to resolve the problem should be well-documented.

(b) If the USDO receives specific inquiries from the FMP/F/IFS disbursing oversight staff, the USDO should respond in writing immediately.

(2) Quarterly.

Each quarter, the USDO is required to provide a written report to the FSC director that explains reasons for each negative answer on the checklist form. The USDO must also send a copy of this report to FMP/F/IFS disbursing oversight. The FSC director should review the USDO answers to the checklist and ensure that appropriate corrective

action is planned.

(3) Due dates for USDO and FSC Director reports.

The USDO submits a written report on the checklist questions to the FSC director and FMP/F/IFS by March 15 (Jan. reports), June 15 (April reports), September 15 (July reports) and December 15 (Oct. reports).

4 FAH-2 H-913 USDO COMPLIANCE REVIEWS

(TL:DOH-1; 06-13-2001)

a. On-site visit review questionnaire (risk assessment questionnaire). The risk assessment questionnaire is sent to the FSCs in the fall of each year. The FSC director must submit answers to the questionnaire annually (due by December 1st) to the managing director of FMP/F/IFS. The questionnaire includes topics on disbursing, accounting, payroll, systems, and internal controls. The portion included here is used in the USDO compliance reviews and the answers given are compared with the findings of the review team.

b. Review Report and Recommendations.

(1) Following every on-site visit, the review team must submit a compliance review report to the director of the disbursing oversight office. This report should include the completed questionnaire with the team's findings, and any recommendations made. The report should also address the implementation status of previous recommendations. Any new projects, initiatives or issues that were discussed during the visit should also be included.

(2) The report will be submitted to the managing director of FMP/F/IFS for review and approval. Once the final report is approved, it will be sent to the FSC directors who should forward it to the USDOs. The USDOs should then provide written responses to the recommendations, noting any corrective action plans, to the FSC director. The FSC director then sends the written responses back to the Managing Director of FMP/F/IFS. These responses should be sent to FMP/F/IFS within 30 days of receiving the original compliance review report.

(3) The USDO should provide copies of the report to all disbursing staff so any compliance deficiencies can be communicated and corrected in the future.

4 FAH-2 H-914 THROUGH H-919 UNASSIGNED

4 FAH-2 H-912 Exhibit H-912

USDO CHECKLIST QUESTIONS

(TL:DOH-1; 06-13-2001)

Form SF-1218, Statement of Accountability

Question 1: Is the beginning balance too high or too low? If the percentage is greater than 50% (or roughly two week's supply of disbursements), then your inventory is too high (or low if the amount is negative).

How Calculated: Using the list of average disbursements provided by IFS oversight (or the amount on line 4.1), divide the beginning balance by the average disbursements to determine a percentage that represents your inventory at the beginning of the month.

Possible causes for the beginning balance for the month to be too high or too low.

Were all exchange receipts entered?

Were there large transactions processed during the month which might have temporarily affected normal cash management practices (i.e., disbursements, collections, transfers to or from other USDOs, deposits, etc.)?

Is bank reconciliation current?

Are there large deferred charges of cashiers?

Question 2: Are there any line item exchange rate anomalies? If this rate is more than 10 percent above or below the beginning and ending rate range or the minimum or maximum range, then an anomaly could exist.

How Calculated: Calculate the average exchange rate used for each line item by dividing the local currency amount by the U.S. dollar amount for the line item.

Possible reasons for the exchange rate anomaly.

Vouchers processed using the same U.S. dollar equivalent as the local currency amount or vice versa.

A very old currency purchase deposit processed using an old rate.

A very old cashier transaction, such as a collection or disbursement processed, using the old rate rather than the prevailing rate.

Question 3: Is there a large exchange rate gain or loss? If the total amount for the currency as reported on line 2.2A or 4.1A is more than \$50,000, then it is too large.

How calculated: The total gain or loss reported must be broken down to line-item gains and losses to determine which one(s) caused the large gain or loss. For each line item on Part A of Form SF-1218, divide the local currency reported by the ending exchange rate. Then divide the local currency by the average exchange rate. The difference is the gain or loss for the line item. A negative amount in the disbursements section (2.1-2.37) represents a gain and a positive amount is a loss.

Possible reasons for the large gain or loss.

A high cash balance at the beginning of the month, line 1.0 (positive or negative), which exposed the currency to a large gain or loss.

A large devaluation or increase in value of the currency during the month (exchange rate changes).

Unusually large amounts of transactions processed for any line items where there was a change in the exchange rate from beginning of the month to the end of the month.

Exchange rates used for line item transactions that were outside the range for the month.

Question 4: Was there a USDO loss or USDO predecessor loss? Any loss on these line-items receive a check. Resolution of the loss must be properly tracked and actively pursued. The USDO must keep a file with all documentation on the loss.

How calculated: Look for any amount on these line items

Possible reasons for the loss.

Has the loss been resolved but not yet cleared in the system?

If the loss has been resolved, is fiscal data needed to clear the loss in the system?

Is the fiscal Irregularity committee waiting for information from the USDO or post official?

Does the USDO need assistance from the director of the financial service center (FSC) in requesting needed information either from the post or other sources?

Questions 5: Are there transfers to or from another USDO? Any amount on line item 4.37 (transfers to) or 2.37 (transfers from) receives a check. The USDO must notify the other USDO to whom he is transferring to so the other USDO can record the transaction as a transfer from. A copy of the journal voucher (JV) with supporting documentation must be sent to FMP/F/IFS for forwarding to Treasury.

How calculated: Look at the amount on these line items.

Possible reasons for a transfer to or from another USDO.

Did the USDO purchase currency for another USDO?

Did the USDO receive a purchase of currency from another USDO?

Did the USDO close bank accounts or cashier operations this month for a currency that was being transferred to another USDO?

Did the USDO open a bank account or cashier operation this month for a currency that was being transferred to them from another USDO?

Form FS-467, Analysis of Bank Balances Due the U.S.

Question 1: Are the bankbook balances too high or too low? If this percentage is greater than roughly 50 percent, then funds are available for more than two weeks disbursements and the bank balance should be reduced.

How calculated: Divide the bankbook balance (line 2.a) by the average monthly disbursements.

Possible reasons for what could cause the bankbook balances to be too high or too low?

Numerous outstanding entries, such as “deposit in transit” or “deposit not yet credited to the USDO” should be reconciled.

Other miscellaneous outstanding unidentified debits or credits should be reviewed and resolved by the USDO.

The USDO purchased too much or too little currency.

Question 2: Are deferred charges of cashiers greater than 50 percent of the cashier advances? **NOTE:** This test does not work for FSC/Paris because deferred charges are not reported on Form FS-467. Line 6.5 on the Paris Form SF-1218 is actually deferred charges and not the authorized cashier advance. Authorized cashier advances are not available on the FSC/Paris reports to complete this analysis.

How Calculated: Divide line 2b.1 (cashier advances) by line 2b.2 (deferred charges of cashiers). This is a total amount for all cashiers with advances in that currency. Review the supporting Schedule B on Form FS-467 to determine which cashiers have high-deferred charges.

Possible reasons for high cashier deferred charges:

The original advance amount is not properly entered into the system.

An excessive amount of in-transit cashier vouchers have not processed in the system.

Vouchers in the error file that have been rejected by the system edits and have not been corrected.

Cashier was improperly advanced funds above (or below) their authorized accountability.

Question 3: Is there a balance in the cash in the USDO office? Any balance on this line receives a check. **NOTE:** This test does not work for FSC Paris because cash in the USDO office does not report Cashier 100 activity as it does in FMS. If there is a balance on this line in FSC/Paris, it is normally deferred checks (post dated) that have been printed but are not yet available for cashing.

How calculated: Look at line 2.c. The balance should be zero. If not, it receives a check. If there is a balance, review the Cashier Code 100 activity report.

Possible reasons for a balance in the USDOs office.

Are there any transactions on the Cashier Code 100 Activity Report (or in FSC Paris, the USDO Cash Analysis Report) that do not have corresponding transactions that would bring the net result to zero. (Each transaction that increases or decreases the USDO cash must have a matching transaction to properly offset the action of the first entry thus bringing the accountability balance to zero.)

No entry or wrong entry for currency purchase transactions.

No entry or wrong entry for deposits, collection, exchange vouchers, cashier checks.

No entry or wrong entry for transfers to or from another USDO.

Foreign Currency Accounting System transactions (FCAS II), or X7000.

This Treasury system was implemented in November 1999 and replaced the FCAS I system (FT). Previously, the disbursing system produced a report (Form FS-488) that tracked the balances and transactions against these accounts. That report indicated foreign currency accountability that was not included on Form SF-1218. Although the amounts processed are still in foreign currency and do not have a US equivalency, they are being processed and accounted for on Form SF-1218. There is currently no separate report of all the X7000 accounts for the USDO to review each month because the USDO is no longer responsible for monitoring the balances. However, because of the unique nature of the X7000 transactions, the USDO must still ensure they are entered and processed accurately each month. Any errors made can result in problems for reconciliation of Treasury's general ledger accounts. (see 4 FAH-2 H-630 for information on how to process the X7000 transactions).

Until the X7000 process is automated in the system, the USDO must review the transactions processed each month. The following questions will be added to the USDO checklist, once program changes in the system are implemented.

Question 1: Do all X7000 transactions net to zero when added together? Review all Form SF-1221 transactions prior to month end that were processed against an X7000 account. List both the U.S. equivalent (USE) and local currency amounts and total the columns. All the transactions added together should net to zero. If they do not, the USDO must determine the problem and correct it prior to month-end.

Question 2: For fully funded accounts, is the balance in the X7000 account equal to the actual bank account balance? The USDO is required to maintain a balance of the X7000 account, and all transactions processed against it. The balance in the X7000 account must equal the balance in the bank account that has been opened specifically for the fully funded X7000 account.

Question 3: For unfunded accounts, are there any negative balances in the X7000 accounts? Although not required at this time, the USDO should keep a separate spreadsheet that reports the initial balance that was carried over from the previous Form FS-488 report and then reduces or increases that balance each month according to transactions processed. This new report will be automatically produced by the system. This is for

information purposes only, and is not to be sent to the agencies as an official report. Treasury is responsible for ensuring the agencies maintain appropriate balances. However, if the USDO notices that an agency has a negative balance in the X7000 account, they should notify FMP/F/IFS disbursing oversight who will discuss the issue with Treasury.

Answer checklist for the USDO accountability questions.

The USDO should review the FMP/F/IFS trend analysis spreadsheet for answers to the checklist questions. For any currencies that have received 5 or more checks for the same question the previous year, the cause should be determined and corrective action taken. FMP/F/IFS should be forwarded a copy of all action taken

4 FAH-2 H-913 Exhibit H-913

USDO COMPLIANCE REVIEWS

(TL:DOH-1; 06-13-2001)

USDO Authorities and Responsibilities

1. Are there current and correct letters of designation from FMP/F/IFS on file for the USDO and all assistants? (4 FAH-2 H-113.1 b.)

2. Does the USDO understand that she or he:

(a) is the only person authorized to make direct disbursements of U.S. government (USG) funds and that she or he has full personal liability for losses and shortages that occur during the performance of their duties, (4 FAH-2 H-114.1 a.(1))

(b) may only draw money from the Treasury or designated depository when necessary to make payments, (4 FAH-2 H-114.1 a.(2))

(c) may only disburse money as provided by a voucher that is certified by an officer who is authorized to do so, (4 FAH-2 H-114.2 a.(1))

(d) must establish and maintain a file on each authorized cashier, and periodically review each cashier advance for propriety and activity? (4 FAH-2 H-114.3 (1))

3. Is there sufficient staff to carry out the activities of the disbursing office? (4 FAH-2 H-114.4)

Transfer of USDO Accountability

4. Was a formal statement of transfer signed by both the incoming and incumbent USDO to ensure that the accountability was accurately reflected on the reports before the accountability was transferred? (4 FAH-2 H-126 a.)

Requisitioning, Receiving and Controlling Check Stock and Signature Die & Stamps

5. Is the USDO properly managing the requisition of check stock by establishing a reorder date for each check stock, taking into consideration the impact of electronic funds transfer (EFT) payments and remote check printing? (4 FAH-2 H-213 a.)

6. When U.S. dollar (USD) and local currency (LCU) check stock is received from the printer, do the USDO and designated verifying officers inspect each box, reseal and sign after verification, and note the inclusive serial numbers of the checks found in the package? (4 FAH-2 H-214.1 b. and c.)

7. Are discrepancies in USD Treasury check stock received and reported immediately to FMP/F/IFS? (4 FAH-2 H-214.1 d.)

8. Are discrepancies in LCU check stock resolved immediately and a notation made in the check stock inventory book? (4 FAH-2 H-214.2 b.)

9. Is all check stock received properly recorded in the check stock file? (4 FAH-2 H-214.3 b.)

10. Is there proper separation of duties so that check stock custodians are not performing any other duties involving check printing, voucher auditing, accounting, or certifying? (4 FAH-2 H-215.1 a.)

11. Is all the check stock stored in a vault that meets the security requirements in ITFM-4-5030.10? (4 FAH-2 H-215.1 b.)

12. Is the combination to the check stock vault stored in a sealed envelope in the safe of the information systems security officer (ISSO) or locally designated holder of safe combinations? (4 FAH-2 H-215.1 b.)

13. Is access to the check stock vault and check stock inventory controlled by allowing access only by the check stock custodian and alternates? (4 FAH-2 H-215.1 c. and 4 FAH-2 H-222 i.)

14. Are all check stock custodians direct-hire employees, except at CFSC who may allow contract employees to serve as check stock custodians? (4 FAH-2 H-215.2 b.(1))

15. Does the USDO perform a quarterly physical inventory of the check stock and submit a written report to the FSC director? (4 FAH-2 H-215.2 d.)

16. Has all obsolete LCU check stock been destroyed and the inventory listing of the shredded checks signed by the USDO and two witnesses? (4 FAH-2 H-215.2 e.)

17. Are any Treasury checks obtained for use with the new system properly stored and inventoried quarterly? (4FAH 2 H-215.2 e. and 4 FAH-2 H-222 j.)

18. Is any discovery of shortage, theft or misuse of blank checks reported promptly to FMP/F/IFS? (4 FAH-2 H-215.2 g.)

19. If the signature die or hand stamp has been purchased locally, has documentation noting the number of dies and stamps and an imprint been forwarded to FMP/F/IFS? (4 FAH-2 H-216.1 a.(1))

20. Is the USDO signature die removed from the check signing machine after use? (4 FAH-2 H-216.1 b.)

21. Does the USDO designate in writing those authorized to use their signature die? (4 FAH 2 H-216.1 b.(1))

22. Is the USDO signature die safeguarded at all times with a sign-in and out sheet? (4 FAH-2 H-216.1 b.(1))

23. When the USDO signature die is not in use, is it stored in a combination safe? (4 FAH-2 H-216.1 b.(1))

24. Have all USDO signature dies and stamps that have been withdrawn from service (previous USDOs) been properly destroyed? (4 FAH-2 H-216.2 a.)

25. Do all previously destroyed USDO signature dies have a certificate of destruction on file in the USDO office? (4 FAH-2 H-216.2 a.)

Internal Controls

26. Are all financial transactions entered at the FSC into the financial system either certified or approved? (4 FAH-2 H-222 a.)

27. Are all EFT payments documented and reviewed by the USDO? (4 FAH-2 H-222 c.)

28. Are non-ECS vouchers or schedules examined for certification? (4 FAH-2 H-222 e.)

29. Are emergency payments approved by the USDO? (4 FAH-2 H-222 g.)

30. Are all reports from Treasury and system-produced reports reflecting the USDO accountability reviewed within two days of receipt? (4 FAH-2 H-222 h.)

31. Does more than one person participate in running the payment cycle? (4 FAH-2 H-222 i.)

32. Does the ISSO ensure that a proper separation of duties exist in the systems access profiles for all FSC personnel? (4 FAH-2 H-223 a.)

33. Is systems access within the disbursing module limited? (4 FAH-2 H-223 b.)

34. Are all stand-alone computers used to perform transfers of funds kept in a controlled environment accessible only to those employees authorized to use the computers? (4 FAH-2 H-223 c.)

35. Is the process designed so that no one employee can perform the entire funds transfer process? (4 FAH-2 H-223 d.)

36. Are the internal controls for all systems reviewed on an annual basis? (4 FAH-2 H-223 e.)

37. Are all fedline transactions made with supporting documentation? (4 FAH-2 H-224 d.)

38. Are the combinations to the check stock vault and all safes in the disbursing office changed annually or when someone leaves? (4 FAH-2 H-225)

File Management

39. Is financial data, whether paper based or electronic, well organized and easily accessible by authorized personnel? (4 FAH-2 H-231)

40. Are all classified and administratively controlled records destroyed in accordance with the provisions of the security regulations? (4 FAH-2 H-234 b.)

41. Are all current files managed in accordance with the procedures in 4 FAH-2 H-230? (4 FAH-2 H-230)

Processing Deposits and Debit Vouchers

42. Are checks received at the FSC for deposit properly controlled from the time of receipt until the time of deposit at the bank? (4 FAH-2 H-312.1 a.)

43. Do all posts that make their own USD deposits into an international Treasury general account (ITGA) request Form SF-215 deposit tickets from the USDO (not General Services Administration [GSA])? (4 FAH-2 H-312.2 a.(1))

44. Are deposit tickets filled out correctly and confirmed copies filed properly? (4 FAH-2 H-312.2 a.(2))

45. Are all USD checks deposited to the Federal Reserve Bank (FRB), ITGA, or a designated depository? (4 FAH-2 H-312.3 a.)

46. Are U.S. dollar check deposits made daily by the USDO before the 'cut-off' time? (4 FAH-2 H-315 a.)

47. Are credit and debit card collections being properly recorded by the FSC and the cashier? (4 FAH-2 H-316 a.)

48. If the FSC receives a debit voucher as an adjustment to a currency purchase, is an adjustment entered charging 20y6763? (4 FAH-2 H-317 a.)

49. When the FSC receives a debit voucher from a bank for a bounced check received by the cashier for accommodation exchange, does the FSC:

a. Immediately increase the post cashier's accountability for the amount of the check? (4 FAH-2 H-317 c.(1)(a))

b. Advise the post and forward the returned check to the cashier for collection? 4 FAH-2 H-317 c.(1)(b))

c. Enter the debit voucher into the cashier's database (OSCARS) and track the payment due the USDO? (4 FAH-2 H-317 c.(1)(a))

50. When the FSC receives a debit voucher from a bank that is identified by the FSC as received for a refund payment, or other non-accommodation exchange collection, does the FSC:

a. Return the check to the cashier, and increase the cashier's accountability? (4 FAH-2 H-317 c.(2)(a))

b. Request that the financial management officer (FMO) voucher the amount to the original fiscal data to offset cashier's accountability? (4 FAH-2 H-317 c.(2)(c))

51. If the cashier does not receive collection for any type of bad check by the end of 90 days since the debit voucher (DV) notification, does the USDO request that the cashier send her or him the debit voucher package with all correspondence from the cashier? (4 FAH-2 H-317 c.(3)(b))

52. If the USDO determines that the bad check should be written off, is it processed within 30 days of receiving the package from the cashier (180 days from the initial receipt of debit voucher), and the package sent to FMP/F/IFS? (4 FAH-2 H-317 c.(3)(b))

53. If the USDO determines that the bad check is uncollectable (after 180 days), has the cashier's accountability been cleared and the package forwarded to FMP/F/IFS? (4 FAH-2 H-317 c.(3)(e))

Payments

54. Does the USDO perform a review and approval of all payments over \$1 million or the equivalency in local currency? (4 FAH-2 H-414 c.(1) and 4 FAH-2 H-222 d.)

55. Are any disbursements of USD or LCU 50 million or more to a single payee being reported to the Treasury two days prior to disbursement of the payment, with a copy sent to FMP/F/IFS? (4 FAH-2 H-414 c.(4)(a))

56. Is the exchange rate tolerance in the system set at no more than 10% for all currencies? (4.FAH-2 H-415 b.)

57. Are vouchers that have been entered using more than the 10% rate tolerance flagged and reviewed by the USDO? (4 FAH-2 H-416 b.)

58. Is electronic certification system (ECS) made available and used by all posts, where possible? (4 FAH-2 H-422.1(a))

59. When an ECS file is received at the FSC, is it opened by two employees? (4 FAH-2 H-422.1 b.)

60. Does the FSC maintain a log for ECS actions? (4 FAH-2 H-422.1 c.)

61. If ECS is not used to receive payment files, does the FSC have a valid, Government Accounting Office (GAO) approved sampling method to check the accuracy of the payments? (4 FAH-2 H-422.2)

62. Are all journal vouchers that adjust the USDO accountability administratively approved by the USDO or their delegate? (4 FAH-2 H-422.3)

63. When checks are signed, does the USDO or a designee review them to verify that all are signed and no checks are missing? (4 FAH-2 H-423.3 b.)

64. Does the USDO or designee verify that the number of checks signed agrees with the list by signing the report? (4 FAH-2 H-423.3 b.)

65. Is all check stock that is issued in excess of the payment requirements or damaged, marked VOID? (4 FAH-2 H-423.4 a.)

66. Are voided, damaged or excess checks properly entered into the automated accounting system by someone other than the one printing or signing the checks? (4 FAH-2 H-423.4 b.)

67. Are all voided checks delivered to USDO with the inventory listing, and then shredded by the USDO? (4 FAH-2 H-423.4 c.)

68. Does the USDO require EFT payments where possible? (4 FAH-2 H-424)

69. Has the USDO informed their serviced posts of procedural requirements for processing EFT payments? (4 FAH-2 H-424)

70. Has the USDO established and maintained the controls specified in the fedline security policy? (4 FAH-2 H-424.1 a.(2))

71. In overseas financial management system (OFMS), is access to the EFT processing menu strictly controlled? (4 FAH-2 H-424.1 a.(3)(g))

72. Does the FSC have established procedures that document the processing of fedline payments? (4 FAH-2 H-424.1 a.(5)(a))

73. Has the USDO ensured that two employees are required to complete the process of importing files into Fedline and sending to the bank? (4 FAH-2 H-424.1 a.(5)(c))

74. Do dollar EFT payments made by proprietary bank software (non-fedline) have strict internal controls? (4 FAH-2 H-424.1 b.(3))

75. Is there adequate separation of duties and effective checks and balances for creation and transmission of the EFT local currency payments? (4 FAH-2 H-424.2(2))

76. Does the USDO have established written procedures for every banking software program used to process local currency EFT payments? (4 FAH-2 H-424.2(3))

77. Does the FSC have established written procedures and controls for each bank where remote check printing is processed, if any? (4 FAH-2 H-424.4 c.)

78. Are all emergency payment requests approved by the USDO prior to processing? (4 FAH-2 H-425 a.(1))

79. Are emergency payments that have been approved by the USDO processed by EFT as much as possible (not by checks)? (4 FAH-2 H-425 a.(3))

80. Are there established procedures to ensure that EFT emergency payments are entered into the system properly and that bank and cashier reconciliation is completed? (4 FAH-2 H-425 c.(3))

81. Is the USDO following the proper procedures for canceling USD and LCU checks? (4 FAH-2 H-427.1(2) and 4 FAH-2 H-427.2(1))

82. Is the post notified by the USDO when USD and LCU checks are cancelled? (4 FAH-2 H-427.1(2)(d) and 4 FAH 427.2(1)(d))

83. Are rejected USD EFTs processed through fedline being properly canceled? (4 FAH-2 H-427.3-1 a.(1))

84. When fedline reclamations or reversals are processed, are internal controls being considered? (4 FAH-2 H-427.3-1 b.)

85. Are USD EFTs processed by bank proprietary software (non-fedline) being properly canceled? (4 FAH-2 H-427.3-1 c.(1))

86. Are LCU EFTs being properly canceled? (4 FAH-2 H-427.3-2 a.)

87. Are U.S. Treasury checks that are forged being properly settled and reissued? (4 FAH-2 H-427.4-1)

88. Are LCU checks that are forged being properly settled and reissued? (4 FAH-2 H-427.4-2)

89. Is forged check documentation sent to FMP/F/IFS for forwarding to the Treasury? (4 FAH-2 H-427.4-1 b. and 4 FAH-2 H-427.4-2 d.-f.)

90. Are LCU limited payability cancellations (uncurrent) being properly cancelled? (4 FAH-2 H-427.5-2 b.)

Purchasing Foreign Currency

91. If the USDO authorizes the cashier to purchase foreign currency, are the established procedures being followed? (4 FAH-2 H-513 b.)

92. Does the USDO purchase currency only when needed and maintain balances in the bank accounts as close to zero as possible? (4 FAH-2 H-514 a.(3))

93. Does the USDO keep separate files for each currency purchase that is complete with all backup documentation? (4 FAH-2 H-514 a.(5))

94. Does the USDO determine currency requirements based on an established formula? (4 FAH-2 H-514 b.)

95. If available, does the USDO use CPCP for calculating currency requirements? (4 FAH-2 H-514 b.(2))

96. Does the currency purchaser obtain at least three competitive bids for each currency purchase? (4 FAH-2 H-514 c.(2))

97. Does the USDO approve all currency purchases? (4 FAH-2 H-514 c.(3))

98. Are purchase settlement instructions to the bank signed or approved by the USDO? (4 FAH-2 H-515 a.)

99. Does the USDO request that the local financial institution provide confirmation of all currency purchases? (4 FAH-2 H-515 c.(1))

100. Does the USDO receive and reconcile bank statements from the local financial institution where currency purchase settlements are processed? (4 FAH-2 H-515 c.(2))

Bank Accounts

101. Are the USDO LCU bank account balances maintained as close to zero as possible? (4 FAH-2 H-612.1 a.)

102. If asked by post, does the USDO advise them not to sign account-opening forms for Sweep accounts? (4 FAH-2 H-612.1 b.(2))

103. Are all USD USDO or cashier bank accounts approved by the Treasury? (4 FAH-2 H-613)

104. In USD bank accounts for which Treasury has waived collateral requirements, are the bank account balances maintained at zero? (4 FAH-2 H-612.2 a.(3)(b))

105. Does the USDO follow established bank bidding procedures when changing an existing bank? (4 FAH-2 H-613 b.)

106. After the USDO receives a new bank designation from Treasury, do they inform FMP/F/IFS the effective date of the new account, and the closing date of the old account? (4 FAH-2 H-613 c.)

107. If the USDO is unable to close the old bank account within 12 months of opening the new account, does the USDO advise FMP/F/IFS of the reasons why it cannot be closed? (4 FAH-2 H-613 d.)

108. Does the USDO perform a review of the banking arrangement with the designated depositories at least once every three years or if any of the conditions in the Disbursing Officers Handbook for considering change are met? (4 FAH-2 H-614 a.)

109. When the annual review determines that a bank should be considered for change, is a bank rebidding initiated? (4 FAH-2 H-615 b.(1))

110. Does the USDO forward all analysis of bank bids with the embassy and USDO choice to FMP/F/IFS? (4 FAH-2 H-615 c.(1))

111. Are all bank designations on file with all new agreements in English? (4 FAH-2 H-615 c.(1)(a))

Reconciling Accounts

112. Are the procedures for reconciling the Budget Clearing Accounts (BCA) available and understood by the staff? (4 FAH-2 H-622.1)

113. Are copies of On-Line Payment and Collection System (OPAC) bills containing limited payability and unavailable canceled check credits received and the totals accurate? (4 FAH-2 H-622.2 b.)

114. Are journal vouchers processed on a routine basis to remove items from the BCAs and return the funds to their original obligation? (4 FAH-2 H-622.2 c.(1)(b))

115. Does the USDO notify post that the funds in the BCA have been returned? (4 FAH-2 H-622.2 c.(1)(b))

116. When advised by FMP/F/IFS of a correction to an invalid appropriation, is the originating post notified so that an incorrect appropriation is not used in the future? (4 FAH-2 H-622.2 c.(2)(c))

117. Are the Statement of Difference reports reconciled in a timely manner? (4 FAH-2 H-623 b.)

118. Does the USDO give the status of all outstanding Statement of Difference reconciliations each week in the weekly activity report? (4 FAH-2 H-623 b.(2)(g))

119. Is a list of adjustments made on the Statement of Differences forwarded to FMP/F/IFS on a timely basis? (4 FAH-2 H-623 b.(2)(h))

120. Is the bank statement data processed within 30 days of receipt? (4 FAH-2 H-624 b.(7))

121. Are the procedures established for processing of the bank statement being followed? (4 FAH-2 H-624 b.(8))

122. Are requests for information from the banks and/or posts to resolve the unmatched items documented? (4 FAH-2 H-624 b.(8))

123. Does the USDO review all bank account reconciliations on a monthly basis to ensure that unknown, unmatched items are being properly resolved? (4 FAH-2 H-624 b.(9))

124. Is an assessment of the bank fees charged included in the review to ensure the fees are correct and reasonable? (4 FAH-2 H-624 b.(9))

125. Is research to resolve all outstanding, unmatched items conducted on a timely basis? (4 FAH-2 H-624 b.(9))

126. Does the USDO forward an unmatched items report to the director each month? (4 FAH-2 H-624 b.(10))

127. Are the bank reconciliation statistics updated in the WAR on a monthly basis? (4 FAH-2 H-624 b.(10))

128. Are automated and paper copies of all bank statements received on a monthly basis? (4 FAH-2 H-624 c.(2))

129. Are bank service charges and interest processed into the financial system using a Form SF-1017G journal voucher? (4 FAH-2 H-624 d.(1))

130. If there are any frozen or blocked accounts, have bank officials and appropriate post officials been contacted to obtain access to the funds? (4 FAH-2 H-624 e.(1))

131. For bank accounts that are determined to be permanently frozen, does the USDO report it as a fiscal irregularity to FMP/F/IFS for resolution? (4 FAH-2 H-624 e.(5))

132. Does the USDO submit a report to FMP/F/IFS by the 1st of each month that describes all unreconciled item over 180 days that are deemed unreconciliable? (4 FAH-2 H-625 b.)

133. Does the USDO always contact FMP/F/IFS before corresponding with Treasury? (4 FAH-2 H-626 a.)

134. Is FMP/F/IFS provided a copy of all correspondence to Treasury? (4 FAH-2 H-626.1)

135. Are all Form TFS 5206 (Advice of Check Issue Discrepancy) researched and a letter of explanation forwarded to Treasury (via FMP/F/IFS) for adjustment? (4 FAH-2 H-626.2 b.)

136. When an 1179 tape has been rejected, is a new tape re-submitted within 10 days? (4 FAH-2 H-626.3 a.)

137. If a check number has been skipped, is the problem researched and the Check Reconciliation Branch at Treasury notified of the cause? (4 FAH-2 H-626.3 b.)

Foreign Currency Transactions (X7000)

138. Are all X7000 transactions being entered into the system by the USDO (not cashiers)? (4 FAH-2 H-632 a.)

139. If the cashier must enter the deposit into her or his automated cashiering system (ACS), is the collection being processed by the USDO using the cashier's code? (4 FAH-2 H-632 a.)

140. Are X7000 accounts that are fully unfunded being processed in accordance with new procedures? (4 FAH-2 H-632 b.(1))

141. Are X7000 accounts that are fully funded being processed off-line in accordance with new procedures? (4 FAH-2 H-632 b.(2))

142. For fully funded accounts, does the bank balance always match the balance in the X7000 account? (4 FAH-2 H-632 b.(2)(a))

143. Does the USDO review all Form SF-1221s prior to month-end to ensure all X7000 transactions net to zero? (4 FAH-2 H-633 a.(1))

144. Does the USDO ensure that the Form SF-1221s are sent at month-end to the correct agency bureau address handling the X7000 accounts? (4 FAH-2 H-633 b.(1))

Month-end Reports

145. Does the USDO sign and send the hardcopy Treasury reports to the proper addresses at month-end? (4 FAH-2 H-712)

Transfers Between USDOs

146. If a transfer to a USDO is processed, does the sending USDO notify the receiving USDO to ensure that both transactions are processed in the same accounting period? (4 FAH-2 H-722)

147. Are copies of all journal vouchers processed that transfer funds from one USDO to another sent to the Treasury and FMP/F/IFS, disbursing oversight? (4 FAH-2 H-722 and 4 FAH-2 H-723)

Journal Vouchers

148. Are all USDO journal vouchers approved by the USDO prior to entry into the financial management system? (4 FAH-2 H-732 a.)

149. Is the journal voucher log consecutively numbered and maintained in one log (or not more than 3) in a central location? (4 FAH-2 H-732 b.)

150. Are all voucher numbers in the log book accounted for with none being used more than once? (4 FAH-2 H-732 c.)

Cashiering

151. Are local currency check deposits made every day and immediately entered into the system? (4 FAH-2 H-812 a.(3))

152. Do all agency Class A and B Cashiers that receive their advances from the USDO have current designations? (4 FAH-2 H-813)

153. Does the USDO designate all subcashiers with advance amounts over \$10,000? (4 FAH-2 H-813)

154. For State Department cashiers, does the USDO maintain and consult a list of all State Department FMOs or Admin officers assigned to posts they service prior to authorizing the cashier designations? (4 FAH-2 H-813.1 b.(1))

155. For Agencies other than State, does the USDO maintain and consult an official letter signed by the agency headquarters to check who at the agency is authorized to request cashier designations for that agency, prior to authorizing the other agency cashier designation? (4 FAH-2 H-813.1 b.(2))

156. Do personal services agreement (PSA) employees that are designated as cashiers have special language in their designation letters that address their accountability issues? (4 FAH-2 H-813.1 c.(2)(b))

157. Are all cashiers designations properly revoked when they no longer serve as cashiers? (4 FAH-2 H-813.2 a.)

158. Are all new cashiers that have not yet passed the national foreign affairs training center (NFATC) cashier exam given temporary designations? (4 FAH-2 H-814 a.)

159. Are all cashiers with temporary designations that don't pass the exam within 6 months automatically revoked by the USDO? (4 FAH-2 H-814 a.)

160. Does the USDO review every cashier advance at least once a year to determine whether the advance is adequate? (4 FAH-2 H-815.1 b.(3))

161. Does the USDO have an established schedule for reviewing the cashier advances every year? (4 FAH-2 H-815.1 b.(3)(a))

162. Does the USDO review 6 months of transactions or use the excel spreadsheet provided in the DOG as a guide to determining the adequacy of the advance? (4 FAH-2 H-815.1 b.(3)(b))

163. If the USDO (in consultation with the FMO) determines that the advance should be increased or decreased, does she or he change the advance amount and send new designation letters to the cashiers stating the new authorized advance? (4 FAH-2 H-815.1 b.(3)(c))

164. Do all temporary advances given to the cashiers have a due date at which time they must return the advance to the USDO? (4 FAH-2 H-815.2 c.)

165. Have all cashier temporary advances been returned by their due date? (4 FAH-2 H-815.2 c.)

166. Does the USDO notify post management (cashier supervisor) when the monthly cashier Form DS-3058 reconciliation is not received within 60 days of the last verification? (4 FAH-2 H-816.2 a.)

167. If the Form DS-3058 is not received within 75 days after the previous reconciliation, does the USDO notify the Admin officer at post? (4 FAH-2 H-816.2 a.(2))

168. If the Form DS-3058 is not received within 90 days after the previous reconciliation, does the USDO notify the deputy chief of mission (DCM) and hold cashier replenishment requests until the reconciliation is received? (4 FAH-2 H-816.2 a.(3))

169. Does the USDO send out an annual report to post management every year by Feb. 15th that compares the actual number of verifications received from post to the number of months the cashier was serviced by the USDO? (4 FAH-2 H-816.2 b.)

170. If the annual report indicates that the cashier supervisor submitted 10 or less Form DS-3058 verification packages, does the USDO notify the post that they were not in compliance with the submission requirements? (4 FAH-2 H-816.2 b.(2))

171. If the annual report indicates that the cashier supervisor submitted less than 6 Form DS-3058 verification packages, does the USDO personally contact the cashier supervisor to determine why the post was not in compliance with the submission requirements? (4 FAH-2 H-816.2 b.(2))

172. Does the cashier monitor use the cashier monitor checklist to review Form DS-3058 documentation? (4 FAH-2 H-816.2 c.)

173. Does the cashier monitor follow-up on any 'no' answers on the cashier monitor checklist? (4 FAH-2 H-816.2 c.)

174. Does the USDO become personally involved when the post does not respond to cashier correspondence from the cashier monitor? (4 FAH-2 H-816.2 c.)

175. If foreign service national (FSN), Rocky or family member employed at post is signing the Form DS-3058 package, have they been authorized to do so by the USDO? (4 FAH-2 H-816.3)

176. Does the USDO have an established schedule for travel to posts for on-site cashier reviews and training for each cashier at least once every 5 years? (4 FAH-2 H-816.4)

177. Do cashier monitors travel to post when emergency situations warrant? (4 FAH-2 H-816.4)

178. Is the ACS being used by all cashiers where hardware and software capabilities are available? (4 FAH-2 H-817 a.)

179. Is cashier training periodically scheduled at the FSC? (4 FAH-2 H-818 a.)

180. Has the USDO established a training program for all employees who operate as a cashier, supervise a cashier, provide guidance to a cashier or monitor a cashier? (4 FAH-2 H-818 b.)

181. Do all cashier monitors use the OSCARS program for tracking cashier designation, exam and advance information? (4 FAH-2 H-819 a.)

182. Do all cashier monitors use the OSCARS program for tracking late notice cables and other monitoring information, such as debit vouchers, fiscal irregularities and cashier bank accounts? (4 FAH-2 H-819 b.)

183. Does the USDO run the management reports in OSCARS at least once a month to determine how well the monitors are performing their duties? (4 FAH-2 H-819 c.)

184. Are all LCU cashier bank accounts authorized by the USDO? (4 FAH-2 H-821 a.)

185. Are USD cashier bank accounts approved by Treasury through FMP/F/IFS? (4 FAH-2 H-821 b.)

186. Are all approved cashier bank accounts opened in officially designated banks? (4 FAH-2 H-821 d.(2))

187. Do cashier monitors ensure that the cashier bank statements are attached to the Form DS-3058 package every month, and that the FMO or cashier supervisor at post is reconciling them? (4 FAH-2 H-821 d.(5))

188. Are any USD cashier bank accounts that are not collateralized monitored by the cashier monitors so that the balances are kept at a zero balance? (4 FAH-2 H-821 d.(6))

189. Is a report listing the USD bank accounts forwarded to FMP/F/IFS annually on September 30th, with an explanation if balances are not zero? (4 FAH-2 H-821 b.)

190. Does the USDO review all cashier bank accounts every three years? (4 FAH-2 H-820 f.)

USDO and Cashier Fiscal Irregularities

191. Are all explained out-of-balance conditions on the Form DS-3058 entered into the overseas cashier reporting system (OSCARS) and tracked by the cashier monitors to ensure the corrections are made on the following Form DS-3058? (4 FAH-2 H-833 a.)

192. Are the instructions in 4 FAH-2 H-830 for reporting fiscal irregularities being followed? (4 FAH-2 H-834)

193. Is an unexplained out-of-balance condition on the Form DS-3058 reported as a fiscal irregularity and reported to FMP/F/IFS? (4 FAH-2 H-834 a. (1)(a))

194. If the fiscal irregularity is not resolved within 60 days of the initial report, does the USDO transfer the loss to line 5.1 of Form SF-1218? (4 FAH-2 H-838 a.)

195. Are all fiscal irregularities of other agencies transferred to the agency's suspense account if not resolved within 60 days, and documentation forwarded by the USDO to the agency? (4 FAH-2 H-838 b.)

196. Are all outstanding fiscal irregularities that are reported on the SF-1218 listed as backup to Form SF-1218 each month? (4 FAH-2 H-840 a.)

197. Does the USDO keep a list of all fiscal irregularities that have not yet been transferred to Form SF-1218 (under 60 days old)? (4 FAH-2 H-840 b.)

198. Are all three required reports (Form SF-1218 with backup, the USDO's list of fiscal irregularities under 60 days old that have not yet been transferred to Form SF-1218, and those not yet reported to FMP/F/IFS) submitted at the end of each month to FMP/F/IFS fiscal irregularity staff? (4 FAH-2 H-840 c.)

USDO Oversight

199. Does the USDO review the balances on the Statement of Accountability Report (Form SF-1218) each month to ensure they are reporting accurate accountability to the Treasury? (4 FAH-2 H-912 a. (1))

200. Does the USDO provide a written report to the FSC director and FMP/F/IFS each quarter that explains reasons for each negative answer on the checklist form? (4 FAH-2 H-912 b. (2))

201. For the last month-end, were there any exchange rate anomalies on the Form SF-1218? If so, did the USDO determine the cause and implement corrective action if necessary? (4 FAH-2 H-912 Exhibit H-912)

202. For the last month-end, were there any gains and losses for any currency over 50,000? If so, did the USDO determine the cause and implement corrective action if necessary? (4 FAH-2 H-912 Exhibit H-912)

203. For the last month-end, was there any cash in the USDO's office (on Form FS-467)? If so, did the USDO explain the reasons for the cash on this line item, and corrective actions necessary? (4 FAH-2 H-912 Exhibit H-912)

204. Review the FMP/F/IFS trend analysis spreadsheet for answers to the checklist questions. For any currencies that have received 5 or more checks for the same question for the previous year, has the USDO determined the cause and implemented corrective action? (4 FAH-2 H-912 Exhibit H-912)